

GATESHEAD METROPOLITAN BOROUGH COUNCIL

TYNE AND WEAR TRADING STANDARDS JOINT COMMITTEE MEETING

Thursday, 7 October 2021

PRESENT: Councillor K Dodds (Chair)

Councillors: J Fletcher, T Graham, I Patterson, J Heron,
P Walker, J O'Shea, J Hunter, T Mulvenna, L Hobson,
M Lowson and P Lovatt

TW56 APOLOGIES FOR ABSENCE

Apologies for absence were received from:

Councillor N Dick – South Tyneside Council
Councillor S Graham – North Tyneside Council
Councillor C Rowntree – Sunderland City Council
Councillor L Wright – Newcastle City Council

TW57 MINUTES

The minutes of the meeting held on 8 July 2021 were agreed as a correct record.

It was noted that orders have been placed to have the ventilation equipment which was stolen from the metrology laboratory replaced.

TW58 UPDATE ON THE GOVERNMENT CONSULTATION: REFORMING COMPETITION AND CONSUMER POLICY: DRIVING GROWTH AND DELIVERING COMPETITIVE MARKETS THAT WORK FOR CONSUMERS

The Government are looking to reform and strengthen how they intervene in markets by extending power to the Competition and Markets Authority (CMA). A very lengthy consultation document was circulated to Trading Standards Authorities including the Regional Trading Standards Authority. A regional response was submitted to the consultation.

The UK generally has an internationally respected consumer and competition authorities. The Competition and Markets Authority in particular have delivered billions of pounds of benefits to consumers through generating lower prices, better products and services and a firm commitment to upholding consumer rights.

There is increasing evidence that competition and consumer policies are failing to keep pace with the challenges of the 21st century. The leading firms in some markets have increased their market power in recent years. There is evidence both internationally from the International Monetary Fund and domestically from the CMA which shows that overall levels of competition have declined in the decades since

our legislative framework was last overhauled in 1998 and further since the financial crisis in 2008,

Now the UK has full autonomy to decide how we promote competition in our markets for the benefit of our citizens. This provides the competition authorities with a newfound freedom to decide what markets or conduct to investigate and what the best outcomes are for UK markets specifically.

Government recognises that the new autonomy brings opportunities but its also brings additional challenges, especially for the enforcement of competition law in the UK. The CMA will now be conducting more investigations. These will not only be more strategically significant to the UKs economy, but they are also likely to be more complex than many of the investigations previously undertaken by the CMA. So the CMA must have the right resources, powers and procedures to deal with these cases effectively and efficiently to deliver the best outcomes for the UK.

The Government views competition as at the core of innovative well-functioning markets. Promoting healthy competition in markets creates the right incentives for traders to innovate to offer the best deal for consumers to win the most custom, for example by reducing barriers to entry for new firms with new ideas.

The UK's internationally well-regarded competition regime seeks to keep markets competitive by:

- Preventing businesses from restricting competition
- Screening mergers to prevent anti-competitive consolidation and maintain rivalry
- Intervening in markets to unblock competition
- Advising government on how its policies will affect competition

Despite the actions that the UK has taken to promote competition, there is evidence from the CMA that competition in the economy may have weakened over the last 20 years. It is therefore essential that the competition regime does more to encourage and maintain competitive markets.

For consumer rights to have an impact on and improve the function of markets, traders must comply with the law and consumers must have confidence that their rights will be respected. To address this, traders must have sufficient understanding of the law that they do not accidentally breach the law in a way that harms consumers, and consumers must have the confidence to engage themselves, and state enforcers must have the right powers to step in where consumers and traders cannot resolve disputes.

The Government is proposing a package of reforms to the enforcement of consumer law to address these issues. This would allow the CMA to decide for itself where consumer law has been breached, which is an approach mirroring their abilities in competition law enforcement.

- Government is seeking view on the scope, decision-making process, and appeals process of this system, including appropriate safeguards to traders.

- Testing the case for extending these powers and abilities to economic regulators
- Fines of up to 10% of global turnover for traders that breach consumer protection law
- Sanctions for traders that seek to frustrate, delay or otherwise not comply with the enforcement process including flouting information gathering powers and breaching undertakings. Supporting consumers and traders to resolve more disputes independently
- Providing more support to consumers in individual disputes with traders by improving consumers' access to arbitration and mediations services, thus avoiding the need to go to court. This includes a proposal to make arbitration/mediation compulsory in the used car and home improvement sectors where consumer detriment is relatively high
- Improving the quality and oversight of alternative dispute resolution services
- Improving consumer awareness and signposting
- Seeking views on making it easier for consumers to band together to seek redress collectively from traders
- How national and local enforcement can work together to tackle national scams. Giving businesses the right support to comply with consumer protection law
- Seeking views on whether the current business education offer meets businesses' needs and how it can be improved.

RESOLVED - That the information be noted.

TW59 GREEN CLAIMS - NEW TRADING STANDARDS RESPONSIBILITY

The Committee received a report to update them on a new 'Green Claims Code' published by the Commission and Markets Authority (CMA).

The aim of the Code is to help businesses understand how to communicate their green credentials whilst reducing the risk of misleading shoppers. It focuses on six principles which are based on existing consumer law and follows extensive consultation with the businesses of all sizes and consumer groups.

The CMA plan to carry out a full review of misleading green claims, both on and offline at the start of 2022.

Green claims (also known as environmental claims or eco-friendly claims) are claims that suggest that a product, service, brand or business provides a benefit or is less harmful to the environment.

Typically, business use these claims when promoting or selling their products or services and they can be advertised in a range of ways. Green claims are genuine when they properly describe the impact of a product, brand, business or service, with evidence to back it up. Claims can be misleading if any information is untrue or hidden, if information is misrepresented or if it is taken out of context.

If a business does not comply with consumer protection law, the CMA and other

bodies – such as Trading Standards Services or sector regulators – may bring court proceedings. The Advertising Standards Authority (ASA) can also take action for misleading green claims which appear in advertising.

If a claim is found to be in breach of consumer protection law businesses can be forced to make changes to their claim or make a payment of redress to any consumers that may have been harmed by the breach. It is therefore recommended that they seek independent legal advice.

RESOLVED - That the information be noted.

TW60

**REPORT AND STATISTICAL RETURN FOR THE QUARTER ENDING
SEPTEMBER 2021**

The Committee received an update on the work of the Joint Metrology Laboratory for the period up to September 2021.

The laboratory has continued to provide a service throughout the pandemic and has not lost any time or productivity.

The laboratory has been giving advice on practical issues facing local companies with regards to the UKCA marking.

Only two on-site EC verifications have been conducted since the last report to the Committee.

Weights continue to be submitted for calibration and issue of UKAS Calibration Certificates. In the period from April 2021 to September 2021 there were 2533 submissions and 453 certificates issued.

The theft of the air-conditioning at the laboratory has had a detrimental effect on cigarette sampling.

The Committee were informed that Andrew Hayward was retiring from his role as Manager at the Metrology Laboratory and that he was unable to attend the meeting. The Committee asked that their appreciation be placed on record of Andy's dedication and commitment to the work and success of the Laboratory.

RESOLVED – That the information be noted.

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